

Service Date: October 13, 1982

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION OF)	
THE MONTANA POWER COMPANY FOR)	DOCKET NO. 82.9.63
AUTHORITY TO ISSUE AND SELL EQUITY)	ORDER NO. 4940
SECURITIES, CONSISTING OF NOT TO EXCEED)	
2,000,000 COMMON SHARES, OR A NEW)	
SERIES OF PREFERRED SHARES NOT TO)	
EXCEED \$40,000,000 IN STATED VALUE, OR)	
A COMBINATION OF BOTH, THE PROCEEDS OF)	
WHICH ARE NOT TO EXCEED \$50,000,000)	

On September 29 , 1982, The Montana Power Company (“Applicant”) filed with the Public Service Commission its verified Application, pursuant to Sections 69-3-501 through 69-3-507 of the Montana Code Annotated (MCA), seeking an order authorizing it to issue and sell equity securities, consisting of not to exceed 2,000,000 common shares, or a new series of preferred shares not to exceed \$40,000,000 in stated value, or a combination of both the proceeds of which are not to exceed \$50,000,000, no later than December 31, 1982.

The Application is supported by exhibits and data in accordance with the Commission practice and rules and regulations governing such guarantees by public utilities operating within the State of Montana.

The Application states that Applicant is a public utility, as defined in MCA §69-3-101, in that it furnishes electric and natural gas service in the State of Montana; that Applicant’s principal executive office is at 40 East Broadway, Butte, Montana; and that Applicant is duly qualified to do business in the States of Montana, Wyoming and Idaho. For detailed information with respect to the general character of Applicant’s business and the territory served by it, reference is made to the Application.

The Application states that:

(I) The need for funds can be foreseen, but Applicant cannot determine at this time the best and most economical source of equity funds, nor the most advantageous proportions, if a combination of common and preferred stock is issued.

(2) Although Applicant will have existing lines of long-term and short-term credit available, the Applicant believes that an equity issue will provide additional needed funds as well as the ability to maintain an appropriate debt/equity capitalization ratio.

(3) Proceeds of the issue will be used (1) if advantageous to do so, to repay amounts borrowed under the revolving credit agreement approved in Docket No. 82.8.57; (2) to pay short-term obligations incurred in connection with Applicant's utility construction program; and (3) for other lawful corporate purposes recognized by MCA §69-3-.501.

(4) Expenses in connection with issuance of the securities applied for are estimated to be \$150,000 if only common or only preferred shares are issued; and \$230,000 if both common and preferred shares are issued.

The Application includes an opinion of counsel regarding the legality and the propriety of the proposed issuance or guarantee.

Notice of the filing of the Application has been given by inclusion of notice thereof in the Commission Agenda for October 4, 1982.

Having fully considered the Application and all the data and records pertaining thereto on file with the Commission and being fully advised in the premises, the Commission makes the following:

FINDINGS OF FACT

1. That Applicant, The Montana Power Company, is a corporation organized and existing under and by virtue of the laws of the State of Montana and is qualified to transact business in the State of Montana.

2. That Applicant is operating as a public utility, as defined in MCA §69-3-101, and, as such, is engaged in furnishing electric and natural gas utility service in the State of Montana.

3. That the Commission has jurisdiction over the subject matter of the Application under MCA §§69-3-501 through 69-3-507, inclusive.

4. That the issuance of equity securities in the manner described in the Application, as proposed herein by the Applicant, and as hereinafter authorized, will be for a lawful purpose and is consistent with the public interest; that such issuance is appropriate for and consistent with the proper performance by Applicant of service as a public utility; and that the aggregate amount of the mortgage bonds or guaranteed loans outstanding, together with other securities of the Applicant, will not exceed the fair value of the properties and business of Applicant.

5. That notice of the filing of the Application has been duly given; that due consideration has been given to the matters presented and filed in connection therewith; and that the Application should be approved as hereinafter ordered.

CONCLUSION OF LAW

That the Application herein complies with NCA §§69-3-501 through 69-3-507, inclusive, and other laws of Montana as aforesaid and the same should be granted as hereinafter ordered.

ORDER

NOW, THEREFORE, at a session of the Public Service Commission of the State of Montana, held in its office at 1227 11th Avenue, Helena, Montana, on October 12, 1982, there regularly came before the Commission for final action the matters and things in this Docket. The Commission being fully advised in the premises makes and enters the following Orders:

IT IS ORDERED that the Application of Applicant, The Montana Power Company, for an order authorizing the issuance and sale of equity securities in the manner and for the purposes described in the Application by Applicant no later than December 31, 1982, is hereby approved and authorized subject to (1) the provisions of this Order and (2) the filing of a Supplemental Application and receipt of a Supplemental Order thereon, as hereinafter required, all pursuant to MCA §§69-3-501 through 69-3-507, inclusive.

IT IS FURTHER ORDERED that the Applicant promptly report to the Commission, by telephone, and confirm by filing a Supplemental Application, once the terms of the issue have been established, the following information: (a) the per unit and total price at which the issue is to be purchased from Applicant; (b) and the per unit and total price at which the issue initially is to be offered to the public (if a public offering is to be made), as well as any other information requested by the Commission.

IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of this Commission with respect to rates, service, accounts, valuations, estimates or determinations of cost or any other matter subject to its jurisdiction as provided by law.

IT IS FURTHER ORDERED that nothing in this Order or any act or deed done and performed in connection herewith shall be construed to obligate the State of Montana or pay or

guarantee in any manner whatsoever any security authorized by this Order or authorized, issued, assumed, or guaranteed under the provisions of MCA Sections 69-3-501 through 69-3-507, inclusive.

Issuance of this Order does not mean acceptance of Applicant's exhibits or other material accompanying the application for any purpose other than in connection with this proceeding.

DONE IN OPEN SESSION at Helena, Montana, this 12th day of October, 1982, by a 4 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

Gordon E. Bollinger, Chairman

Howard L. Ellis, Commissioner

Clyde Jarvis, Commissioner

Thomas J. Schneider, Commissioner

ATTEST:

Madeline L. Cottrill
Commission Secretary

(SEAL)

NOTE: You may be entitled to judicial review of the final decision in this matter. If no Motion For Reconsideration is filed, judicial review may be obtained by filing a petition for review within thirty (30) days from the service of this order. If a Motion For Reconsideration is filed, a Commission order is final for purpose of appeal upon the entry of a ruling that motion, or upon the passage of ten (10) days following the filing of that motion. cf the Montana Administrative Procedure Act, esp. Sec. 2-4-702, MCA; and Commission Rules of Practice and Procedure, esp. 38.2.4806, ARM.